PRINCIPLES OF MACROECONOMICS  
ECON 201  
Section 5  
Tuesdays and Thursdays 0925-1040  
Beatty Center 214

Prof. Frank Hefner  
Spring 2019  
Office Hours: 11:00-12:30 Tuesdays and Thursdays and by appointment

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COURSE PREREQUISITES: ECON 200 (Principles of Microeconomics) and 3 credit hours of MATH.

COURSE DESCRIPTION: The foundation of aggregate economic analysis is presented, including identification of basic social goals, money, credit systems, theories of national income, employment and economic growth, and international independence.

PURPOSE: The purpose of this course is to introduce the student to the basic elementary principles of economics, in particular the macroeconomic aspects of modern economic theory. Topics included are an introduction to the economic system and the U.S. economy; the international economy and trade; the level of economic activity; the determinants of economic activity and aggregate spending; fiscal policy; and monetary policy. Upon completion of the course, the student should have a basic understanding of the above topics and of the working of the macro aspects of the U.S. economy within a global economy.

COURSE OBJECTIVES: Students will gain factual knowledge of the macro economy, develop critical thinking and analytical skills through understanding the following macroeconomic models and concepts:

1. the basic principles of scarcity, choice and opportunity cost
2. the operation of a competitive market and how markets resolve the problem of scarcity
3. GDP, price indices, inflation, unemployment
4. how economic stability and growth are influenced by fiscal and monetary policy
5. exchange rates and the nation’s balance of payments account.

All College of Charleston and School of Business policies and procedures apply to this course.

TEXTS:

New Ideas from Dead Economists Todd Buchholz
GRADING AND EXAMS:

Exam 1 (February 7) 100
Exam 2 (March 12) 100
Writing Assignments 100
Final (April 25) 200

Note on Final Date and Time: The Cougar Trail lists the official date and time. Location is the regular classroom.

Grading Scale

<table>
<thead>
<tr>
<th>Grade</th>
<th>Range</th>
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<tbody>
<tr>
<td>A</td>
<td>90 - 100 %</td>
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<tr>
<td>B+</td>
<td>87 - 89</td>
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<tr>
<td>B</td>
<td>80 - 86</td>
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<tr>
<td>C+</td>
<td>77 - 79</td>
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<td>C</td>
<td>70 - 76</td>
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<tr>
<td>D+</td>
<td>67 - 69</td>
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<tr>
<td>D</td>
<td>60 - 66</td>
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<tr>
<td>F</td>
<td>&lt; 60</td>
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Grades are not curved.

EXTRA CREDIT: From time to time, very interesting speakers come to the business school. Attending one of the approved lectures and writing up an analysis of the presentation will count for 10 additional points to your semester total, with a limit of 4. Papers must be typed (double spaced, 12 point font, include a cover page that includes your name, the course, date due and assignment). Papers are to be turned in at the beginning of class or earlier. Generally an acceptable length is 1-2 pages. The write up is due in the next class immediately after the extra credit lecture.

Calculating your grade:

Your grade is a weighted average of the two exams, the writing assignments and final exam as a percentage and extra credit points.

\[(\text{Mid 1} + \text{Mid 2} + \text{Writing Assignments} + 2*\text{Final} + \text{extra})/5 = \text{your grade}.\]

You should keep track of your grades. You should note that the midterm grade required by the College is not part of the formula above.

Grade Appeals Process:

- Do not approach me with grade questions during class, or in the few minutes before or after class. And please do not ask me to reconsider your grade via email. These discussions should take place in my office.
- This communication must occur within 5 business days after receiving your grade.
Keep track of your grades. I return all assignments. If you are not in class the day I return the assignment, you will need to see me in my office to retrieve your work.

**ACADEMIC INTEGRITY:** All students are expected to adhere to the College Honor Code. This includes plagiarism. In addition to penalties that may be imposed on you by the honor board of the College of Charleston; in the case of plagiarism you will receive a grade of zero for the written component of the semester grade. In the case of other violations of academic integrity you will receive an F for the semester. Students can find the complete Honor Code and all related processes in the *Student Handbook* at [http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php](http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php)

**ATTENDANCE:** You are expected to attend class. Students who miss class regularly typically do not pass this course. Late assignments are not accepted and will result in a grade of zero, unless you have an excused absence. Missed papers, homework and exams may be completed with an approved absence memo from the Absence Memo Office. You are responsible for all material covered in class. A missed quiz with an excused absence will not be counted. A missed quiz or exam without an excused absence counts as a zero. If you are a college athlete and miss a deadline due to an official athletic event, you must provide the appropriate documentation for missed classes.

**CLASS DECORUM:** Normal classroom behavior is expected. I do ask that students not wear hats during the lecture. Turn off cell phones and beepers before class starts. This means no texting during class time. Cell phone should not be visible. No laptop computers may be used in class without the explicit permission of the instructor. (see appendix regarding cell phone policy)

**E-MAIL:** I attempt to respond to e-mail messages. For example, you should schedule appointments with me via e-mail. I will not respond to requests for grades or questions about homework problems. Assignments will not be accepted via e-mail, unless you have an excused absence.

**GENERAL INFORMATION:** Course policies may be changed during the semester. Any changes will be announced in class. You are responsible for all material covered in class. Lectures may or may not follow the text. Additional reading material may be assigned during the class. You will be tested on assigned reading and lecture material. If there is a student in the class who has a documented disability and has been approved to receive accommodations through the Center for Disability Services / SNAP, please come and discuss this with me during my office hours.

**GENERAL CONTENT (brief):**
Review of microeconomics
Supply and Demand Models
Fixed Prices: price floors and ceilings
Applications:
   Arbitrage
Interest rate determinations
  Loanable Funds
  Bond Price Model
  Present and future value
Wage Determination
  Labor markets
Exchange Rate Determination
  Flexible exchange rates
  Fixed exchange rates
  Pegged exchange rates
Factor Price Equalization
  Factor Mobility
  Free Trade
Growth Theory
  Production Possibility Frontier
  Measuring National Output
  PPF with trade
Hume Price-Specie Adjustment
  Quantity Theory of Money
Measuring national output -again
Inflation and unemployment
Output, growth and capital
The Keynesian model
  45 degree model
  Fiscal Policy
  Multiplier Analysis
Aggregate supply and demand
Fiscal policy
Supply of Money
Federal Reserve System
Money and aggregate demand
Inflation and unemployment again
  Phillips Curve

**WRITING ASSIGNMENTS**: The requirements for the written assignments will be given in class. You will be graded on style, grammar, and content. Note: late papers will not be accepted (without an approved excuse from the Dean’s office). Papers must be typed (double spaced, 12 point font, include a cover page that includes your name, the course, date due and assignment). Papers are to be turned in at the beginning of class or earlier. The book we are using is *New Ideas from Dead Economists* by Todd Buchholz.

Jan 17: Chapter 2
Jan 24: Chapter 3
Jan 31: Chapter 4
Feb 14: Chapter 5
Feb 28: Chapter 6 and 7
March 20: Chapter 8
March 28: Chapter 9
April 2: Chapter 10
April 9: Chapter 11
April 16: GEN ED assignment

Generic Syllabus Material

ECON 201

1. COLLEGE OF CHARLESTON HONOR CODE AND ACADEMIC INTEGRITY

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration--working together without permission-- is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the
IMPACT ON GRADE IN THIS COURSE: All students are expected to adhere to the College Honor Code. This includes plagiarism. In addition to penalties that may be imposed on you by the honor board of the College of Charleston; in the case of plagiarism you will receive a grade of zero for the written component of the semester grade. In the case of other violations of academic integrity you will receive an F for the semester.

2. ATTENDANCE: Students are expected to attend all classes. Non-urgent/non-emergency situations should be addressed by the student during times that do not interfere with the student’s course schedule, just as one would if s/he was seeking time off from an employer.

In the event that a student misses a class with a legitimate, documentable reason, that student may bring documentation to the Absence Memo Office where the student may fill out a form with a schedule of missed class(es), dates missed, etc. A representative from the Absence Memo Office will notify the appropriate faculty by E-mail. Any missed assignments, class work, papers, tests, etc., are to be arranged between the professor and the student. It is important to note that the only individual who can authorize an excused absence is the professor of the missed class.

Absences Relating to Disabilities
Students with physical or psychological disabilities are to contact the Office of Disability Services at 843.953.1431. Information on this office may be located at http://disabilityservices.cofc.edu/index.php. Please note: If absences become excessive, regardless of the reason, it is important you schedule an appointment with Undergraduate Academic Services Office (843.953.5674) to discuss academic issues.

Temporary Injury Affecting Mobility or Use of Dominate Hand or Arm
Students who experience temporary injury affecting mobility or use of dominant hand or arm should refer to the Temporary Injury webpage at http://disabilityservices.cofc.edu/temp/index.php for information on assistance.

3. CLASS DECORUM: Normal classroom behavior is expected. I do ask that students not wear hats during the lecture. Turn off all pagers, beepers, and cell phones before class. This means no texting during class time. No laptop computers may be used in class without the explicit permission of the instructor. Cell phones should not be visible; i.e., not on top of the desk, in your lap, in your open bag, etc.

Regarding cell phone: Research at the University of Texas “found that someone’s ability to hold and process data significantly improved if his or her smartphone was in another
room while taking a test to gauge attentional control and cognitive processes. Participants who kept their phones in a pocket or bag also outperformed those who kept their phones on the desk while taking the same test. Again, even if the phone was turned off and face down on the desk, the mere sight of one's own smartphone seemed to induce “brain drain” by depleting finite cognitive resources.” “One of the most valuable takeaways from this study is that it doesn’t seem to matter whether your smartphone is turned on or off—or whether it's face up or face down on a desk close to you...Just having your smartphone within sight can reduce your proficiency on cognitive tasks that require your undivided attention. Luckily for all of us, putting your smartphone in another room, a pocket, or the bottom of a bag seems to be an easy remedy for this problem.”


4. SPECIAL NEEDS: The College will make reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services / SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsible for notifying me as soon as possible and for contacting me one week before an accommodation is needed.

If there is a student in the class who has a documented disability and has been approved to receive accommodations through the Center for Disability Services / SNAP, please come and discuss this with me during my office hours.

If you have any concerns about the class, please contact me.

5. SCHOOL OF BUSINESS LEARNING GOALS:

COMMUNICATION SKILLS: Students will demonstrate the ability, via both written and spoken word, to effectively present, critique, and defend ideas in a cogent, persuasive manner.

QUANTITATIVE FLUENCY: Students will demonstrate competency in logical reasoning and data analysis skills.

GLOBAL AND CIVIC RESPONSIBILITY: Students will be able to identify and define social, ethical, environmental and economic challenges at local, national and international levels. Students will also be able to integrate knowledge and skills in addressing these issues.
**INTELLECTUAL INNOVATION AND CREATIVITY:** Students will be able to demonstrate their resourcefulness and originality in addressing extemporaneous problems.

**SYNTHESIS:** Students will demonstrate the ability to integrate knowledge from multiple disciplines incorporating learning from both classroom and non-classroom settings in the completion of complex and comprehensive tasks.

In this class, the following School of Business goals are met: Communication, Quantitative, and Global and Civic Responsibility. **Implementation and Demonstration of achievement** will be through completion of writing assignments, quizzes, and examinations. Specifically:

ECON 201 highlights **communication** skills with regular written assignments and essay questions.

ECON 201 uses graphical analysis which emphasizes **quantitative and logical ability**.

ECON 201 covers **international** issues, such as trade and finance.

6. **GENERAL EDUCATION STUDENT LEARNING OUTCOME STATEMENT**

   **ECON 201**

Students can apply social science concepts, models or theories to explain human behavior, social interactions or social institutions. **These learning outcomes will be assessed in a writing assignment due April 16.**

7. **Center for Student Learning**

I encourage you to utilize the Center for Student Learning’s (CSL) academic support services for assistance in study strategies and course content. They offer tutoring, Supplemental Instruction, study skills appointments, and workshops. Students of all abilities have become more successful using these programs throughout their academic career and they are available to you at no additional cost. For more information regarding these services please visit the CSL website at [http://csl.cofc.edu](http://csl.cofc.edu) or call (843)953-5635.

8. **Writing Lab**

I encourage you to take advantage of the Writing Lab in the Center for Student Learning (Addlestone Library, first floor). Trained writing consultants can help with writing for all courses; they offer one-to-one consultations that address everything from brainstorming and developing ideas to crafting strong sentences and documenting sources. For more information, please call 843.953.5635 or visit [http://csl.cofc.edu/labs/writing-lab/](http://csl.cofc.edu/labs/writing-lab/).

9. **Department of Economics Learning Goals:**
Understanding Major Economic Problems
Students demonstrate an understanding of the major economic problems facing society and the policy alternatives which may be utilized to contend with these problems. Supports Strategic Initiative 1: Enhance the undergraduate academic core.

Quantitative Fluency
Students demonstrate the ability to draw insights about economic behavior from the application of mathematical tools. Supports Strategic Initiative 1: Enhance the undergraduate academic core.

Synthesis
Students demonstrate the ability to access existing knowledge by retrieving, assembling, and organizing information on particular topics and issues in economics. Supports Strategic Initiative 1: Enhance the undergraduate academic core.

Communication Skills
Students demonstrate the ability to clearly communicate the analysis of an economic issue. Supports Strategic Initiative 1: Enhance the undergraduate academic core.

This course attempts to meet all of the Departmental learning goals.